

depositors of urban cooperative banks and triggered a run on the deposits of several cooperative banks not only in Ahmedabad but also in other towns in Gujarat.

(b) With a view to protect the interests of the depositors of MNCB, Reserve Bank of India (RBI) has taken certain measures such as imposition of directives under Section 35A of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), supersession of Board of Directors of MNCB, filing of complaint in the Court of Chief Metropolitan Magistrate, Ahmedabad against the Chairman and Managing Director of MNCB. RBI has requested Registrar, Cooperative Societies, Gujarat to supersede the Board of Directors of Classic Cooperative Bank Ltd., Ahmedabad. The affairs of urban bank having high Credit-Deposit Ratio, borrowings, etc. are being monitored closely. The system of off-site surveillance in respect of scheduled urban cooperative banks in the country have been introduced from 30 March, 2001. The prudential norm relating to Capital Adequacy (Capital to Risk Assets Ratio-CRAR) is also being made applicable to Urban Cooperative Banks.

(c) and (d) RBI has filed a criminal complaint in the court of Chief Metropolitan Magistrate, Ahmedabad against the bank, its Chairman and Managing Director under Section 46 of the Banking Regulation Act, 1949 and Section 58B read with Section 56C of the RBI Act, 1934 for having willfully made false statements to RBI regarding borrowings and their failure to submit information/statements as regards withdrawal of deposits and trial balances as promised by them. The case is also being enquired into by Central Bureau of Investigation on a complaint lodged by Bank of India. Some officials of MNCB have been arrested.

A group has been constituted by Central Registrar of Cooperative Societies to suggest measures for revival of MNCB and the proposed course of action for its rehabilitation including steps for recovery of its dues will be examined by RBI in the light of its recommendations to be submitted by the group. The Administrator of the bank is expected to file arbitration case against the defaulters for recovery of dues.

Rewards to informers

1788. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) the details of the policy or, guidelines to pay rewards to informers who inform Government of smuggled goods / black money;

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(b) the number of cases pending as on date for payment of rewards to the informers; and

(c) the number of pending cases which relate to Gujarat and Saurashtra?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) The guidelines provide for grant of reward to informants who furnish specific information of undisclosed income, wealth, gift and estate duty. Rewards are also given to informers, if the information leads to seizure and / or detection of infringements / evasion of duty under the Custom Act, Central Excise Act and Narcotic Drugs & Psychotropic Substances (NDPS) Act.

(b) 2302 cases.

(c) 258 cases.

Delhi a new hub of drug trade

1789. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "UN report finds Delhi is new hub of drug trade" which appeared in the Asian Age dated the 29th June, 2001;

(b) if so, what is Government's reaction thereto; and

(c) what steps are proposed to be taken to tackle effectively the problems mentioned in the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The proximity to the international border and good air-linkage with other countries make Delhi vulnerable to drug trafficking, which is a clandestine activity. Seizure of narcotic drugs and psychotropic substances in the Delhi region, as reported by various drug law enforcement agencies, do not indicate an overall increasing trend.

(c) Government of India has already taken a number of significant steps to prevent and put effective check on drug trafficking. These include instructions to all drug enforcement agencies to maintain utmost vigil and step up